



North Carolina Economic Update

August 19, 2016

Summary

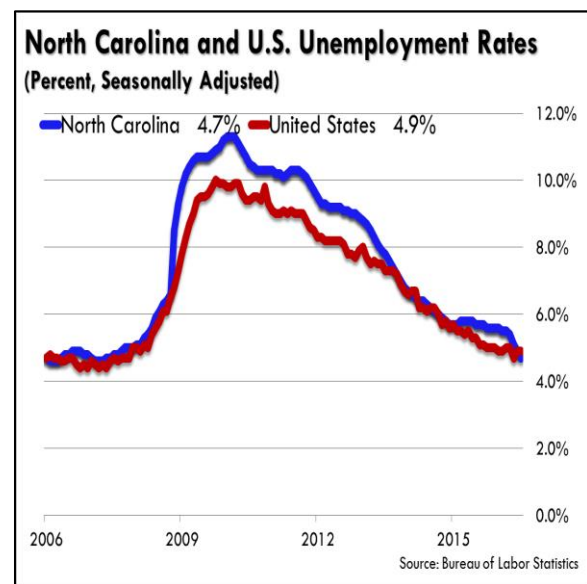
Nonfarm payroll employment in North Carolina increased by 12,000 jobs and the unemployment rate fell to 4.7 percent in July according to data released by the Bureau of Labor Statistics (BLS).

North Carolina Unemployment Rate

During July, the unemployment rate in North Carolina declined by 0.2 percentage point to 4.7 percent. The number of people counted as unemployed fell by 12,953 in July to 225,934, while the labor force fell by 26,156 to 4,827,425. Among the 50 states and the District of Columbia, 24 posted lower unemployment rates for the month than North Carolina. A year earlier, the unemployment rate in North Carolina stood at 5.7 percent.

The 10-year peak for the unemployment rate in North Carolina was 11.3 percent in March 2010. This also represents the series high for the unemployment rate in North Carolina. The 10-year low for the unemployment rate in North Carolina was 4.6 percent in April 2007. The series low for the unemployment rate in North Carolina occurred in April 1999 when the unemployment rate reached 3.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in July. July's unemployment rate was 0.4 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



North Carolina Payroll Employment

North Carolina nonfarm payrolls increased by 12,000 jobs, or 0.28 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 18,800. Over the past 12 months nonfarm payrolls in North Carolina increased by 94,100, or 2.22 percent. North Carolina nonfarm payroll employment has increased in 11 of the past 12 months.

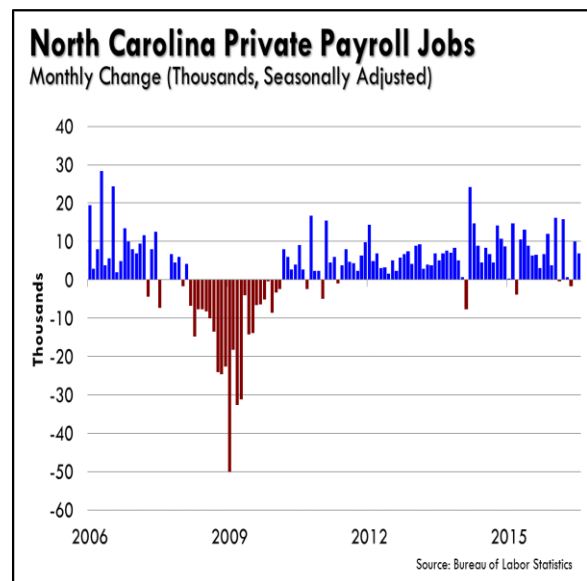
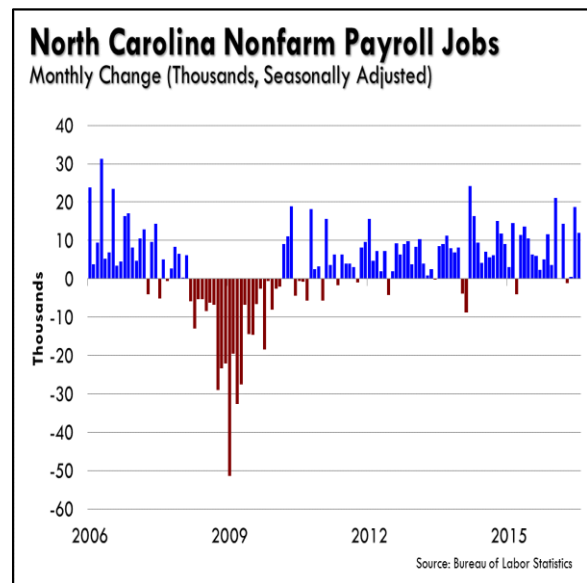
Nationally, nonfarm payrolls increased by 255,000 jobs in July, or 0.18 percent. Over the 12-month period ending July 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. North Carolina ranks 15th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During July, North Carolina private sector payrolls increased by 6,800, or 0.19 percent. Private sector payrolls increased by 9,900 jobs in the prior month. Over the past 12 months, private sector payrolls in North Carolina increased by 79,200, or 2.25 percent. North Carolina private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 217,000 jobs in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,293,000 jobs in the private sector, an increase of 1.91 percent. North Carolina ranks 18th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

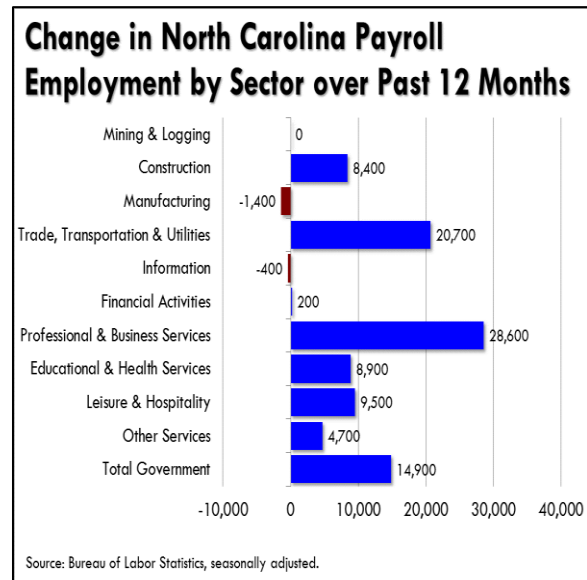
During July, total government payroll employment in North Carolina increased by 5,200, or 0.71 percent. Federal government payroll employment increased by 700, or 0.97 percent. State government payroll employment declined by 1,200, or 0.57 percent, while local government payroll employment increased by 5,700, or 1.27 percent.

Over the past year, total government payroll employment increased by 14,900, or 2.06 percent. State government payroll employment increased by 1,800, or 0.87 percent. Local government payroll employment increased by 10,900, or 2.45 percent.



The best performing sectors on a seasonally adjusted basis during July were Total Government (+5,200) and Professional & Business Services (+3,300). The poorest performing sectors during the month were Manufacturing (-1,700) and Trade, Transportation & Utilities (-1,500).

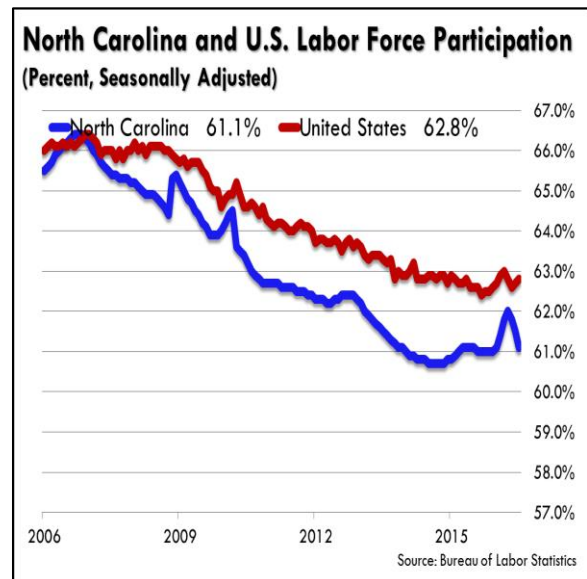
The best performing sectors during the last twelve months were Professional & Business Services (+28,600) and Trade, Transportation & Utilities (+20,700). The poorest performing sectors during the last twelve months were Manufacturing (-1,400) and Information (-400).



Other North Carolina Labor Force Statistics

The labor force participation rate in North Carolina declined to 61.1 percent in July from 61.5 percent the prior month. Among the 50 states and the District of Columbia, 36 have a higher labor force participation rate than North Carolina. The labor force participation rate in North Carolina is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in North Carolina was 66.4 percent in November 2006. The series high for the labor force participation rate in North Carolina occurred in December 1989 when the labor force participation rate hit 69.0 percent. The 10-year low for the labor force participation rate was 60.7 percent in November 2014. This also represents the series low for the labor force participation rate in North Carolina.

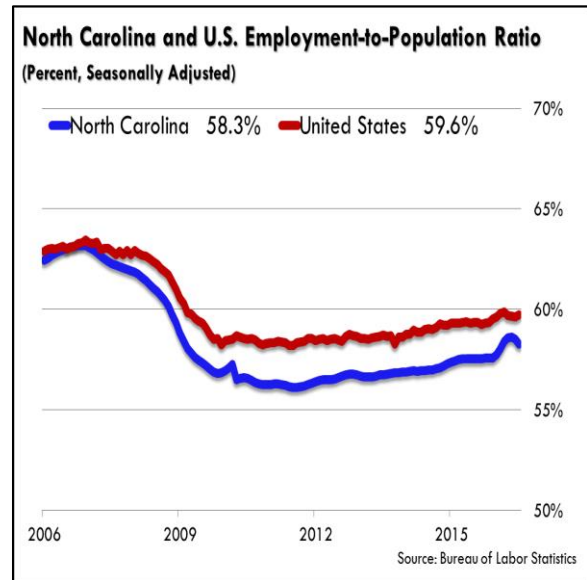


The national labor force participation rate rose by 0.1 percentage point to 62.8 percent in July, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the North Carolina civilian noninstitutionalized population 16 years and older counted as employed, declined to 58.3 percent in July from 58.5 percent the prior month. Among the 50 states and the District of

Columbia, 36 have higher employment-to-population ratios than North Carolina. The employment-to-population ratio in North Carolina is 0.8 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in North Carolina was 63.2 percent in December 2006. The series high for the employment-to-population ratio in North Carolina occurred in December 1989 when the employment-to-population ratio hit 66.7 percent. The 10-year low for the employment-to-population ratio was 56.1 percent in September 2011. The series low for the employment-to-population ratio occurred in October 2011 when the employment-to-population ratio hit 56.1 percent.



The national employment-to-population ratio rose by 0.1 percentage point to 59.7 percent in July. That rate was 0.4 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for August is scheduled for release on September 20, 2016. The national employment situation report for August will be released on Friday, September 2, 2016.